



**Rochford District
Council**

COMMITTEE TITLE **Audit & Governance Committee**

DATE **2 July 2024**

REPORT TITLE:	Capital Financing Requirement
REPORT OF:	Tim Willis, Interim Resources Director

REPORT SUMMARY

For many years, Rochford has rightly reported that it has no external debt. However, it has also reported a Capital Financing Requirement (CFR) of £777k. A council's CFR is the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for a capital purpose, although this borrowing may not necessarily take place externally. It was therefore deemed necessary to investigate what the £777k related to, as the council's underlying finances have not fully accounted for its CFR. A review was commissioned from the council's treasury management advisors, Link, and this report outlines its findings.

RECOMMENDATIONS

R1 That the Committee notes the report.

BACKGROUND INFORMATION

1. The council's Treasury Management reports and Budget report have included a CFR of £777k for a number of years. Other than reporting this figure, which is a balance in the accounts which doesn't change from one year to the next, there are no other transactions that relate to it. As the council has no external debt, there has been the legitimate question, if it isn't external debt, what is it? This was a concern for the S151 Officer: there were insufficient records held to explain the origins of the figure and no current staff had the historic knowledge to explain it.
2. A liability figure on the balance sheet, such as the £777k, would normally relate to something specific: most commonly, an external debt. The figure would reduce as the debt was repaid, or increase as new debt was incurred. The exception to this – and this is peculiar to local government – is a CFR arising from internal borrowing. Internal

borrowing arises as follows. A council incurs capital expenditure, but does not use revenue funding, capital receipts (from asset sales), grants or external borrowing. Instead, it uses its own cash. According to local government accounting rules, as this does not give rise to external debt, there is no interest to pay a third party. But the equivalent of the principal component of the debt does need to be charged. This component is called the Minimum Revenue Provision (MRP). Although entirely internal to the council, the MRP does represent a real cost, and should be accounted for in the correct way. MRP is charged on an annual basis so that the total sum internally borrowed is “repaid” over the life of the asset acquired – this might be up to 50 years.

FINDINGS

3. Link were requested to investigate the history of the £777k as they had access to some historic data, as well as specialist knowledge. Their report is attached. Link went back to 2006 as part of their investigations, at a time the council held its own social housing stock. The report describes their detailed findings, but a summary is as follows:
 - The council transferred its housing stock in 2007-08. This would typically have resulted in the receipt from the stock transfer being offset against the debt held in respect of the stock; however, there was a small balance remaining.
 - In 2008-09 there were changes to capital accounting regulations related to finance leases, which increased the CFR.
 - There were a range of accounting re-statements and adjustments in 2011-12.
 - Up to 2014-15 MRP was being charged, to reduce the CFR related to finance leases.
 - From 2015-16 apart from some small errors and some MRP adjustments, there were no further amounts set aside to reflect the outstanding CFR.
 - Link calculates that the CFR should be £789k not £777k.

4. In order to correct the historic under-provision of MRP dating back to 2006-07, the £789k CFR will need to be written down as follows:
 - “Catch-up” MRP of £298k needs to be charged in 2023-24. This reflects the MRP not provided for over the years 2006-2024.
 - The CFR balance of £491k should be written down over 32 years (i.e. 50 years, but 18 years from 2006 will have been provided for in the £298k above).
 - This will equate to an annual charge of £15k in the council’s revenue budget for the next 32 years.
 - Of course, if in future, capital expenditure is incurred and funded from internal or external borrowing, the MRP will change.

ACTION REQUIRED

5. The following actions are necessary:
 - Members of Audit & Governance Committee note the report.
 - The 2023-24 accounts, which are near finalisation, incorporate the historic £298k MRP charge.

- The S151 Officer informs the external auditor to ensure they are able to incorporate any comments in respect of the accounts that are still outstanding to be audited (2021-22 and 2022-23 as well as 2023-24). This issue has already been flagged with the external auditor and they are awaiting an update.
- A budget of £15k per annum will be provided for in the future. For 2024-25, as the budget has already been set, this will be funded from reserves. Thereafter, the 2025-26 Budget will incorporate a £15k charge in the base budget.

OTHER OPTIONS CONSIDERED

6. The council could write off the whole CFR of £789k in 2023-24. However, this would be a significant cost in one year. Additionally, the proposed approach of charging £15k per annum is what would have happened if the correct accounting process had been adopted in accordance with relevant rules.

RELEVANT RISKS

7. The report highlights a cost to the council that has not previously been provided for, so adds to the risk of diminished reserves undermining its financial standing. However, the report is not describing a risk, rather than an issue that needs to be addressed.

ENGAGEMENT/CONSULTATION

8. None.

FINANCIAL IMPLICATIONS

9. Described in the body of the report. The catch-up MRP of £298k will be charged in 2023-24 and be reflected in the outturn report. The £15k MRP charge per annum will be funded from reserves in 2024-25 and incorporated into the base budget for 2025-26.

LEGAL IMPLICATIONS

10. None.

ECONOMIC IMPLICATIONS

11. None.

EQUALITY & HEALTH IMPLICATIONS

12. None.

ENVIRONMENTAL & CLIMATE IMPLICATIONS

13. None.



Report for
ROCHFORD DISTRICT COUNCIL

Capital Financing Requirement Review

April 2024

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1. Introduction

1.1 Report brief

Rochford District Council (“The Authority”) has asked Link Group (“Link”) to carry out a reconciliation of the Capital Financing Requirement (“CFR”) to resolve an on-going balance of approximately £700k. ~~k.~~ k.

This review includes:

- **A high-level review of the Authority’s CFR calculation to 31 March 2023 and associated key data.**
- **Identification of movements and any differences for each year between the CFR calculated from the Balance Sheet and the CFR disclosure note in the Statement of Accounts.**
- **A high-level reconciliation of items which should be included in the calculation of the CFR and items that can be excluded.**
- **A detailed examination of the current CFR calculation, analysis and reconciliation of the accounting entries included in the CFR and / or financial statements in relation to the amount of MRP charged. ***

*A full reconciliation of any variations identified is subject to the Authority providing the required level of detail and sufficient information to complete this task. Reconciliations may be limited if the Authority is unable to provide the detailed information required.

The review excludes:

- **Any obligation to update our report for any changes made to statutory regulations, guidance or accounting standards quoted in our analysis following its completion.**
- **Subsequent changes made by the Authority after the date of the review is completed may incur an additional charge.**
- **Any assessment of legal advice.**

1.2 Purpose of the report

The purpose of this report is to provide a high-level reconciliation of the Authority’s CFR.

Link does not give any guarantees or warranties as to the information in this report. To this extent, Link does not warrant the accuracy of this information and can only warrant the accuracy and completeness of the report in so far as it correctly presents and analyses the information provided by other sources. This report can only be used to inform investment decisions with this caveat and does not absolve any party from any requirement to undertake further due diligence.

In addition, this report does not represent a formal legal opinion nor constitute investment advice. The decision to execute any transaction remains the sole responsibility of the Authority.

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1.3 Information provided

The Authority has supplied the following documents in support of the review:

Received 13 March 2024:

- Capital Financing 2016-17 v2.xlsx
- Capital Financing 2017-18v3.xlsx
- Capital Financing 2018-19.xlsx
- Capital Financing 2019-20.xlsx
- Capital Financing 2020-21.xlsx
- Capital Financing 2021-22.xlsx
- Capital Financing 2022-23.xlsx
- Annual Financial Report 2016-17.pdf
- RDC Annual Financial Report 201718 post audit committee.pdf
- FINAL RDC Annual Financial Report 201819 FINAL – PUBLISHED.pdf
- Financial Statements 201920 FINAL.pdf
- Accounts 2021-21 post audit with signed audit report.pdf
- Draft Rochford SOA 21-22.pdf
- Annual Report 2022-23 PRE AUDIT.pdf

Received 22 March 2024:

- RDC Fixed Assets 2015-16 revised for 16-17.xlsx
- RDC Fixed Assets 2016-17 revised for 15-16 land adj.xlsx
- RDC Fixed Assets 2016-17.xlsx
- Rochford CFR Analysis Updated 16-17 Restated.xlsx
- RDC Fixed Assets 2017-18 assets not previously valued removed.xlsx

- Financial Statements 2009-10.pdf
- Financial Statements 2010-11.pdf
- Financial Statements 2011-12.pdf
- Financial Statements 2012-13.pdf
- Financial Statements 2013-14.pdf
- Financial Statements 2014-15.pdf
- Financial Statements 2015-16.pdf

In addition, Link have also used information obtained from the Link Archive:

Link Archive

- Statement of Accounts 2006-07
- Statement of Accounts 2007-08 draft
- TMSS 08-09
- TMSS 09-10
- TMSS 13-14

Link have also used information from the Authority's Capital Outturn Returns ("COR") submitted to Government each year, from 2005/6 to 2022/23.

2. CFR Reconciliation

2.1 CFR assessment

To confirm the current CFR position, the CFR has been calculated from the Balance Sheet for 2006/07 to 2022/23 as detailed in Appendix A with the in-year movements analysed in the tables below. This shows a total movement in the CFR since 1 April 2006 of (£9,331k), and illustrates the CFR balance as at 31 March 2023 of £789k as follows:

• £10,120k	Opening CFR balance 1 April 2006
• (£9,331k)	CFR movements
• £789k	Closing CFR balance 31 March 2023

Table 1: CFR movements

Year	CFR per Balance Sheet	In year movement
	£'000	£'000
2005/6	10,120	
2006/7	10,762	642
2007/8	550	(10,212)
2008/9	2,733	2,183
2009/10	2,416	(317)
2010/11	2,140	(276)
2011/12	1,726	(414)
2012/13	1,399	(327)
2013/14	1,060	(339)
2014/15	686	(374)
2015/16	692	6
2016/17	782	90
2017/18	794	12
2018/19	789	(5)
2019/20	789	0
2020/21	789	0
2021/22	789	0
2022/23	789	0
		(9,331)

The movements for each year have been analysed from the details contained within the Statement of Accounts to identify each element of the in-year movements as follows:

Table 2: CFR movements breakdown

Year	CFR per Balance Sheet £'000	In year Movement £'000	CFR movement made up of:							
			Capital exp £'000	MRP £'000	Stock transfer £'000	Finance lease additions £'000	Reconciled CFR differences £'000	Unreconciled CFR movements £'000	Total £'000	
			2006/7	10,762	642	519				123
2007/8	550	(10,212)		(21)	(10,067)			(124)	(10,212)	
2008/9	2,733	2,183		(44)		2,040			187	2,183
2009/10	2,416	(317)		(317)						(317)
2010/11	2,140	(276)	(19)	(257)						(276)
2011/12	1,726	(414)		(321)				(93)		(414)
2012/13	1,399	(327)		(327)						(327)
2013/14	1,060	(339)		(339)						(339)
2014/15	686	(374)		(351)				(23)		(374)
2015/16	692	6						6		6
2016/17	782	90	90							90
2017/18	794	12	(26)					38		12
2018/19	789	(5)						(5)		(5)
2019/20	789	0								0
2020/21	789	0								0
2021/22	789	0								0
2022/23	789	0								0
		(9,331)	564	(1,977)	(10,067)	2,040		(78)	187	(9,331)

The CFR balance as at 31 March 2023 is made up of the following:

Table 3: CFR Balance composition as at 31 March 2023

Movement category	£'000	£'000
Capital expenditure		564
MRP		(1,977)
Finance lease additions		2,040
Reconciled CFR movements		(78)
Unreconciled CFR movements		187
Amount included in opening balance 1/4/2006 not written out on stock transfer:		
Opening CFR balance 1/4/2006	10,120	
Amount written out on stock transfer	(10,067)	
		53
		789

Details of the CFR movements are shown below, with the relevant extracts from the Authority's Statement of Accounts for each item given in Appendix B.

Table 4: Details of CFR movements

Item	Category	Detail	Amount £'000
Year 2006/7			
1	Capex	Total capital expenditure of £2,689k was incurred in the year financed by: £611k Capital receipts £119k Grants £1,278k Major Repairs Reserve £162k Contribution from revenue and reserves The balance of £519k is unfunded and therefore increases the CFR.	519
2	Rec CFR diff	The reconciled difference of £123k increases the CFR and relates to an error that is corrected in 2007-8, so the net effect on the CFR is zero. (See Year 2007/8)	123
Year 2007/8			
3	Rec CFR diff	The reconciled difference of £124k decreases the CFR and relates to an error from 2006/7 that is corrected in 2007/8, so the net effect on the CFR is zero. (See Year 2006/7)	(124)
4	MRP	MRP of £21k was charged in year (equal to 4% of £519k). This reduces the CFR.	(21)
5	LSVT	In 2007/8 the Authority carried out a LSVT to transfer its housing stock. All HRA debt was repaid and the CFR relating to the HRA was written out reducing the total CFR by £10,067k. This figure is that reflected in the Authority's 2007/8 COR form submitted to Government as the capital receipts used to repay debt.	(10,067)
Year 2008/9			
6	MRP	MRP of £44k was charged in year (equal to 4% of £550k x2). This reduces the CFR.	(44)
7	Finance lease addition	In 2010/11 Authorities had to restate their 2009/10 accounts, including opening balances to take into account lease and lease type arrangements comping on Balance Sheet. The Authority identified embedded leases within vehicle contracts and increased its PPE by £2,040k. This increases the CFR.	2,040
8	Unrec CFR diff	There is an unreconciled movement of £187k in 2008/9 that increases the CFR. In 2008/9 a new capital accounting regime was introduced that got rid of the previous Fixed Asset Restatement Reserve, Capital Financing Reserve and Government Grants Deferred Account, and brought in the Revaluation Reserve and Capital Adjustment Account. It was not uncommon for accounting errors to be made on transition to the new system, so the movement could be due to this. However, it is not possible to identify exactly what this difference relates to as Link do not have the Authority's capital accounting working papers for this year.	187
Year 2009/10			
9	MRP	MRP of £317k was charged in year. This would have related to the finance leases. This reduces the CFR.	(317)
Year 2010/11			
10	MRP	MRP of £257k was charged in year. This would have related to the finance leases. This reduces the CFR.	(257)
11	Capex	Capital expenditure of £1,753k was incurred, financed by resources of £1,772k and so was overfinanced by £19k. This reduced the CFR.	(19)

Item	Category	Detail	Amount £'000
Year 2011/12			
12	MRP	MRP of £321k was charged in year. This would have related to the finance leases. This reduces the CFR.	(321)
13	Rec CFR diff	Amendments were made to the opening Vehicles, Plant and Equipment balances in 2011/12: VPE Closing NBV 31 March 2011 (per 2010/11 accounts) - £2,406k (£3,949k GBV less £1,543K depn) VPE Opening NBV 1 April 2011 (per 2011/12 accounts) - £2,267k (£3,789k GBV less £1,522K depn) VPE difference - £139k reduction, resulting in a reduction to the CFR.	(139)
14	Rec CFR diff	Amendments were made to the opening Other, Land & Buildings balances in 2011/12: OLB Closing depn 31 March 2011 (per 2010/11 accounts) - £1,182k OLB Opening depn 1 April 2011 (per 2011/12 accounts) - £1,235k OLB difference - £53k reduction, resulting in a reduction to the CFR	(53)
15	Rec CFR diff	A credit to intangibles was made in 2011/12 to adjust for a prior year error of £24k. Balance c/f 31 March 2011 - £252k Balance b/f 1 April 2011 - £228k Reduction 24K No corresponding entry was made to the capital adjustment account - resulting in a reduction to the CFR	(24)
16	Rec CFR diff	A debit was made to the Capital Adjustment Account to adjust for a prior year depreciation error of £123k. The PPE notes only reflect a change of £139k (item 14) and £53k (item 15), so there appears to be accounting entries missing. The £123k increases the CFR.	123
Year 2012/13			
17	MRP	MRP of £327k was charged in year. This would have related to the finance leases. This reduces the CFR.	(327)
Year 2013/14			
18	MRP	MRP of £339k was charged in year. This would have related to the finance leases. This reduces the CFR.	(339)
Year 2014/15			
19	MRP	MRP of £351k was charged in year. This would have related to the finance leases. This reduces the CFR.	(351)
20	Rec CFR diff	Entries made to PPE, Revaluation Reserve, CAA for revaluations, disposals and adjusting amount for the difference between CV & historic cost depreciation do not balance to zero. The net impact of the entries is (£23k) which results in a decrease to the CFR.	(23)
Year 2015/16			
21	Rec CFR diff	An adjustment was made for a prior year to Other Land & Buildings of £6k. This increases the CFR.	6
Year 2016/17			
22	Capex	Capital expenditure of £886k was incurred, financed by resources of £796k, leaving £90k unfinanced. This increased the CFR.	90

Item	Category	Detail	Amount £'000
Year 2017/18			
23	Capex	Capital expenditure of £1,191k was incurred, financed by resources of £1,217k and so was overfinanced by £26k. This reduced the CFR. The Government Grants financing in the Capital expenditure and financing note of £393k does not agree with the Government Grants financing posted to the Capital Adjustment Account of £419k (£356k + £63k).	(26)
24	Rec CFR diff	Entries made to PPE, Revaluation Reserve, CAA for revaluations, disposals and adjusting amount for the difference between CV & historic cost depreciation do not balance to zero. The net impact of the entries is £34k which results in an increase to the CFR.	34
25	Rec CFR diff	Rounding errors (reversed in 2018/19)	4
Year 2018/19			
26	Rec CFR diff	Rounding errors (reversing 2017/18)	(5)
Total			(9,331)

3. Future MRP and CFR

3.1 CFR calculation and reconciliation

The Authority may find it useful to complete an annual reconciliation of the Balance Sheet CFR to the Capital Expenditure and Financing note to the accounts to ensure that any in year movements are correct.

If the Authority is not intending to finance any future capital expenditure from borrowing, then the only CFR movements should be a reduction for the annual MRP charge.

3.2 MRP

The Authority will need to commence MRP on the £789k CFR balance so that it can be written down. The following tables illustrate what the MRP charge would be assuming a 50-year straight line MRP policy from the year after the CFR movement occurred.

Table 4: MRP catch up charge 2023/24

Year	Category	CFR movement £'000	Assumed MRP policy	MRP per annum £'000	1st year MRP should be	No. of years to 2023/24	MRP made to date £'000	MRP to 2023/24 should be £'000	Catch up MRP charge in 2023/24 £'000
Pre 2006	Opening bal	53	50 years SL basis	1	2006/7	18	0	19	19
2006/7	Capexp	519	50 years SL basis	10	2007/8	17	65	176	111
2008/9	Unreconciled CFR movement	187	50 years SL basis	4	2009/10	15	0	56	56
2010/11	Capexp	(19)	50 years SL basis	(0)	2011/12	11	0	(4)	(4)
2011/12	Reconciled CFR differences	(93)	50 years SL basis	(2)	2012/13	12	0	(22)	(22)
2014/15	Reconciled CFR differences	(23)	50 years SL basis	(0)	2015/16	9	0	(4)	(4)
2015/16	Reconciled CFR differences	6	50 years SL basis	0	2016/17	8	0	1	1
2016/17	Capexp	90	50 years SL basis	2	2017/18	7	0	13	13
2017/18	Capexp & unreconciled differences	6	50 years SL basis	0	2018/19	6	0	1	1
2008/9	Finance lease additions	2,040	MRP over Finance lease contract. Terminated 2014/15.	n/a	2009/10	n/a	1,912	2,040	128
Total		2,766					1,977		298

Based on the analysis in Table 4 an MRP charge of £298k is required in 2023/24.

Future MRP could then be made on an annual basis to write down the remaining CFR balance £491k, as illustrated below:

Table 5: Future MRP charge

Year	Category	CFR movement £'000	Future annual MRP £'000	Last year of MRP £'000	No. of years to final year	Total future MRP £'000
Pre 2006	Opening bal	53	1	2055/56	32	34
2006/7	Capexp	519	10	2056/57	33	343
2008/9	Unreconciled CFR movement	187	4	2058/59	35	131
2010/11	Capexp	(19)	(0)	2060/61	39	(15)
2011/12	Reconciled CFR differences	(93)	(2)	2061/62	38	(71)
2014/15	Reconciled CFR differences	(23)	(0)	2064/65	41	(19)
2015/16	Reconciled CFR differences	6	0	2065/66	42	5
2016/17	Capexp	90	2	2066/67	43	77
2017/18	Capexp & unreconciled differences	6	0	2067/68	44	5
Total		726	15	0		491

If a £298k MRP charge is provided in 2023/24 the remaining balance of £491k can be written down at an annual charge of £15k to ensure that CFR balance is written down over the remaining years shown above.

With the exception of the finance lease additions, for which the remaining CFR balance is written off in 2023/24, the above illustrates what the MRP charge would be using a 50-year straight line policy. This is on the basis that the majority of movements take place before 2009/10 and it is assumed that it is likely to relate to supported borrowing, for which the MRP regulations used a 50-year life to calculate MRP.

The Authority will need determine a prudent MRP policy and ensure any changes to its existing MRP policy are fully considered by Full Council.

4. Appendices

Appendix A – CFR reconciliation

Appendix B – Statement of Accounts extracts

Appendix A – CFR reconciliation

Link Balance sheet CFR calculation	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 Restated	2014/15 Restated	2015/16 Restated	2016/17 Restated	2017/18	2018/19	2019/20 Restated	2020/21 Restated	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Property Plant & Equipment	129,801	141,974	35,464	39,713	40,217	38,741	36,960	36,136	35,003	35,702	43,302	47,209	47,871	49,111	49,959	48,347	44,457	53,647
Investment property		160		105	105			419										
Intangible Assets	574	501	406	204	253	252	185	165	154	119	191	159	453	436	477	397	312	213
Assets Under Construction	2,838																	
Assets Held for Sale			250												130			
Government Grants Deferred	(1,812)	(1,548)	(1,413)															0
Capital Adjustment Account	(10,627)	(9,648)	(31,372)	(32,418)	(31,596)	(31,004)	(29,130)	(28,841)	(27,459)	(26,440)	(28,707)	(27,941)	(27,354)	(27,476)	(27,475)	(26,798)	(24,199)	(29,352)
Revaluation Reserve	(110,654)	(120,677)	(2,785)	(4,871)	(6,564)	(5,850)	(6,286)	(6,477)	(6,637)	(8,694)	(12,982)	(17,534)	(19,064)	(20,170)	(20,885)	(19,740)	(18,364)	(22,302)
Reserve for Land not previously capitalised (Donated assets)									0	0	(1,112)	(1,112)	(1,112)	(1,112)	(1,417)	(1,417)	(1,417)	(1,417)
Closing CFR as per prudential code	10,120	10,762	550	2,733	2,415	2,139	1,729	1,402	1,061	687	692	781	794	789	789	789	789	789

Client SoA CFR Note and WP	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 Restated	2014/15 Restated	2015/16 Restated	2016/17 Restated	2017/18	2018/19	2019/20 Restated	2020/21 Restated	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening CFR	8,453	10,120	10,762	550	2,733	2,416	2,140	1,726	1,399	1,060	686	692	782	794	789	789	789	789
Adj to opening CFR		0	0	2,040						0								
Capital expenditure																		
PPE - Other land & buildings	5,694	1,351	376	16	185	515	438	235	178	131	79	374	204	353	115	248	188	239
PPE - Vehicles plant equip & furniture		35	73	1,233	107	73	233	130	170	361	2,539	83	74	104	493	351	312	2,626
PPE - Community assets		823	200	782	255	405	105	140	63	106	26	9	40	197	27	36	3	147
Investment Property		0					0	13	18									0
Intangible Assets			35	118	56	30	45	47	18	124	7	334	79	133	31	30	5	5
REFCUS		480	317	834	516	704	411	274	474	295	374	413	539	1,257	356	504	573	819
Source of Finance																		
Capital Receipts	(465)	(611)	(315)	(1,950)	(877)	(787)	(854)	(613)	(760)	(688)	(1,268)	(226)	(798)	(240)	(184)	(403)	(363)	(566)
Government Grants and other contributions	(1,813)	(119)	(192)	(766)	(264)	(985)	(363)	(224)	(190)	(223)	(571)	(420)	(419)	(1,463)	(630)	(595)	(617)	(913)
Major Repairs Reserve	(1,429)	(1,278)	(273)															
Direct Revenue Contributions supported borrowing (credit approvals)	(119)	(162)	(186)	(184)	(40)						(1,303)	(150)	0	(287)	(310)	(172)	(126)	(2,357)
<i>To repay debt:</i>																		
MRP			(21)	(44)	(317)	(257)	(321)	(327)	(339)	(351)	0			0				0
Major Repairs Reserve																		0
Capital Receipts			(10,067)															0
Movements in Bal Sheet CFR not reflected in Note		123	(124)	187			(93)			(23)	6	0	38	(5)				
CFR movement in year	1,868	642	(10,212)	2,183	(317)	(276)	(414)	(327)	(339)	(374)	6	90	12	(5)	0	0	0	0
Closing CFR	10,120	10,762	550	2,733	2,416	2,140	1,726	1,399	1,060	686	692	782	794	789	789	789	789	789
CFR Variance	0	0	0	0	1	1	(3)	(3)	(1)	(1)	0	1	0	0	0	0	0	0
CFR Movement as per BS items	1,868	642	(10,212)	2,183	(318)	(276)	(410)	(327)	(341)	(374)	5	89	13	(5)	0	0	0	0
CFR Movement as per SoA Note	1,868	642	(10,212)	2,183	(317)	(276)	(414)	(327)	(339)	(374)	6	90	12	(5)	0	0	0	0
Difference	0	0	0	0	(1)	0	4	0	(2)	0	(1)	(1)	1	0	0	0	0	0

Appendix B – Statement of Accounts extracts

Item 1 - Extract from 2007/8 Statement of Accounts

Showing unfinanced capital expenditure of £519k in 2006/7

Capital Expenditure was financed by

	2006/07 £000s	2007/08 £000s
Capital Receipts Applied	611	315
Sundry Creditor Reversals	-	48
Increase in Capital Financing Requirement	519	0
Grant	119	192
Major Repairs Reserve	1,278	273
Contribution from Revenue and Reserves	162	138
Total	2,689	966

Item 4 - Extract from 2007/8 Statement of Accounts

Showing MRP charge of £21k in 2007/8

10. Breakdown of reconciling items in the Statement of Movement on the General Fund balances

2006/07 £'000s		2007/08 £'000s
(1,712)	General Fund Balance Brought Forward	(1,778)
2,315	Income and Expenditure surplus / (deficit)	94,454
	Amounts included in the income and expenditure accounts but required by statute to be excluded when determining the Movement on the General Fund	
(1,467)	Depreciation and Impairment of Fixed Assets	(109,020)
194	Government Grants Deferred amortisation matching depreciation and amortisation	155
(671)	Deferred Charges	(499)
(19)	Net gain / loss on fixed assets	(14)
(73)	Amt by which Pension Costs are different to Contributions	886
-	LSVT Notional Receipt for Debt Repayment	13,225
-	Unattached Capital Receipts	232
	Amounts not included in the Income and Expenditure account but required to be included by statute when determining Movement on the General Fund Balance	
	Statutory Provision for the repayment of debt	21
0	Capital Expenditure charged to General Fund	316
(662)	Transfer from Usable Capital Receipts equal to amount payable into Housing Capital Receipts Pool	(275)
	Transfers to or from the General Fund balance required to be taken into account when determining the movement on the General fund	
319	Surplus/Deficit from HRA	191
(3)	Net Transfer to or from earmarked reserves	204
0	Financial Instrument Adjustments	(44)
(67)	Movement on General Fund Balance	(168)
<u>(1,779)</u>	General Fund Balance C/F	<u>(1,947)</u>

Appendix B – Statement of Accounts extracts

Item 6 - Extract from 2009/10 Statement of Accounts

Showing MRP charge of £44k in 2008/9

7. Breakdown of Reconciling Items in the Statement of Movement on the General Fund Balances

2008/09 £000s Restated (Note 2)		2009/10 £000s
(1,947)	General Fund Balance Brought Forward	(809)
2,468	Income and Expenditure Surplus / (Deficit)	3,023
	Amounts included in the Income and Expenditure Accounts but required by statute to be excluded when determining the Movement on the General Fund	
(1,498)	Depreciation and Impairment of Fixed Assets	(1,520)
(237)	Amortisation of Intangible Assets	(69)
319	Government Grants Deferred Amortisation Revenue Expenditure Funded from Capital Under Statute	315
(834)	Net Gain / Loss on Fixed Assets	(518)
23	Amount by which Pension Costs are different to Contributions	0
(425)	LSVT Notional Receipt for Debt Repayment	(435)
-	Unattached Capital Receipts	741
488		
	Amounts not included in the Income and Expenditure Account but required to be included by statute when determining Movement on the General Fund Balance	
44	Minimum Revenue Provision for Capital Financing	0
(68)	Collection Fund Statutory Adjustment	(6)
8	Capital Expenditure charged to General Fund	
(3)	Transfer from Usable Capital Receipts equal to amount payable into Housing Capital Receipts Pool	(7)
	Transfers to or from the General Fund Balance required to be taken into account when determining the movement on the General fund	
1,201	Housing Revenue Account Balance	(3,270)
(348)	Net Transfer to or (from) Earmarked Reserves	381
-	Financial Instrument Adjustments	
1,138	Movement on General Fund Balance	(1,365)
(809)	General Fund Balance Carried Forward	(2,174)

Item 7 - Extract from 2010/11 Statement of Accounts

Showing PPE addition as at 31 March 2009 of £2,040k

31. LEASES

Finance Leases

The Authority, as Lessee, has identified that the contracts for Waste Collection, Street Cleansing and Grounds Maintenance contain embedded leases for the vehicles used. These are therefore included within the Authority's Balance Sheet as Vehicles within Property, Plant and Equipment at the following net amounts:-

	31 March 2009 £000s	31 March 2010 £000s	31 March 2011 £000s
Vehicles, Plant, Furniture and Equipment	2,040	1,700	1,360

Appendix B – Statement of Accounts extracts

Item 9 & 10 - Extract from 2010/11 Statement of Accounts Showing MRP charge of £317k in 2009/10 & £257k in 2010/11

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income & Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is created with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2009/10		2010/11
£000s		£000s
(32,418)	Balance at 1 April	(31,596)
	Reversal of items relating to capital expenditure debited or credited to the	
(40)	Comprehensive Income & Expenditure Statement:	-
1,856	Charges for depreciation and impairment of non-current assets	1,723
-	Revaluation losses on Property, Plant & Equipment	224
69	Amortisation of intangible assets	58
518	Revenue expenditure funded from capital under statute	703
(122)	Adjusting amounts written out of the Revaluation Reserve	(87)
2,281	Net written out amount of the cost of non-current assets consumed in the year	2,621
	Capital financing applied in the year:	
(877)	Use of the Capital Receipts Reserve to finance new capital expenditure	(787)
(265)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(985)
(317)	Statutory provision for the financing of capital investment charged against the General Fund balances	(257)
<u>(31,596)</u>	Balance at 31 March	<u>(31,004)</u>

Appendix B – Statement of Accounts extracts

Item 11- Extract from 2010/11 Statement of Accounts

Showing overfinancing of £19k in 2010/11

30. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets required under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2010/11 £000's	2011/12 £000's
Opening Capital Financing Requirement **	477	458
Capital Investment		
Property, Plant and Equipment		
Intangible Assets	56	30
Other Land & Buildings	515	438
Vehicles, Plant, Equipment & Furniture	73	233
Community Assets	405	105
Revenue expenditure funded by capital	704	411
Total Capital Expenditure	1,753	1,217
Financed by:		
Useable Capital Receipts	787	854
Government Grants	985	363
Total Financing	1,772	1,217
Increase in underlying need to borrowing (unsupported by	-	-
Increase/(Decrease) in Capital Financing Requirement	(19)	-

Appendix B – Statement of Accounts extracts

Item 12- Extract from 2012/13 Statement of Accounts

Showing MRP charge of £321k in 2011/12

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income & Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is created with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation reserve was created to hold such gains.

Note 7 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2011/12	2012/13
£000s	£000s
(31,004) Balance at 1 April	(29,130)
123 Adjustment for prior year REFCUS	(318)
1,390 Charges for depreciation and impairment of non-current assets	1,349
1,137 Revaluation losses on Property, Plant & Equipment	152
73 Amortisation of intangible assets	65
411 Revenue expenditure funded from capital under statute	275
Amounts of non-current assets written off on the disposal or sale as part of the 403 gain/loss on disposal to the Comprehensive Income & Expenditure Statement	-
(126) Adjusting amounts written out of the Revaluation Reserve	(70)
<u>3,411</u> Net written out amount of the cost of non-current assets consumed in the year	<u>1,453</u>
Capital financing applied in the year:	
(853) Use of the Capital Receipts Reserve to finance new capital expenditure	(613)
Application of grants to capital financing from the Capital Grants Unapplied (363) Account	(224)
Statutory provision for the financing of capital investment charged against the (321) General Fund balances	(327)
<u>(29,130) Balance at 31 March</u>	<u>(28,841)</u>



Appendix B – Statement of Accounts extracts

Item 13 & 14 - Extract from 2011/12 Statement of Accounts

Comparative Figures for 2010/11				Non- operational	Total
	Other Land & Buildings	Community Assets	Vehicles & Plant	Investment Property	
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2010	37,015	1,587	3,876	105	42,583
Additions	515	405	73	-	993
Disposals	-	-	-	-	-
Revaluation Gain (Revaluation Reserve)	197	-	-	9	206
Revaluation loss (Revaluation Reserve)	(2,052)	-	-	-	(2,052)
Revaluation loss (CI&E)	(264)	-	-	-	(264)
Transfer	114	-	-	(114)	-
Gross book value as 01 April 2011	35,525	1,992	3,949	-	41,466
Depreciation					
Accumulated depreciation	(1,263)	-	(998)	-	(2,261)
Accumulated amortisations	-	-	-	-	-
Depreciation for year	(1,178)	-	(545)	-	(1,723)
Depreciation written back on disposal & revaluation	1,259	-	-	-	1,259
Balance at 31 March 2011	(1,182)	-	(1,543)	-	(2,725)
Net book value of assets at 31 March 2011	34,343	1,992	2,406	-	38,741
This balance is made up of:					
Gross book value	37,015	1,587	3,876	105	42,583
Movement	(1,490)	405	73	(105)	(1,117)
Accumulated depreciation	(1,182)	-	(1,543)	-	(2,725)
	34,343	1,992	2,406	-	38,741

Appendix B – Statement of Accounts extracts

2011/12	Operational			Non-operational	Total
	Other Land & Buildings £000s	Community Asset £000s	Vehicles & Plant £000s	Investment Property £000s	£000s
Balance at 1 April 2011	35,525	1,992	3,789	-	41,306
Additions	438	105	233	-	776
Disposals	(401)	-	(60)	-	(461)
Revaluation gain (Revaluation Reserve)	619	-	-	-	619
Revaluation loss (Revaluation Reserve)	(987)	-	-	-	(987)
Revaluation loss (CI&E)	(1,136)	-	-	-	(1,136)
Gross book value as 01 April 2012	34,058	2,097	3,962	-	40,117
Depreciation					
Accumulated depreciation	(1,235)	-	(1,522)	-	(2,757)
Accumulated amortisations	-	-	-	-	-
Depreciation for year	(806)	-	(585)	-	(1,391)
Depreciation written back on disposal & revaluation	933	-	58	-	991
Balance at 31 March 2012	(1,108)	-	(2,049)	-	(3,157)
Net book value of assets at 31 March 2012	32,950	2,097	1,913	-	36,960
This balance is made up of:					
Gross book value	35,525	1,992	3,789	-	41,306
Movement	(1,467)	105	173	-	(1,189)
Accumulated depreciation	(1,108)	-	(2,049)	-	(3,157)
	32,950	2,097	1,913	-	36,960



Appendix B – Statement of Accounts extracts

Item 15 - Extract from 2011/12 Statement of Accounts

Showing difference of £24k between closing and opening balance 2011/12

Movement in Intangible Fixed Assets:

Purchased Software Licences	2010/11 £000s	2011/12 £000s
Accumulated Cost	757	732
Amortisations to 1 April	(504)	(504)
Balance at 1 April	253	228
Expenditure in year	56	30
Write out on completion	-	(341)
Amortisation Written back	-	341
Amortisation written off in year	(57)	(73)
Balance at 31 March	252	185
Comprising		
Accumulated Cost	813	420
Amortisations to 31 March	(561)	(236)

* An error in 2010/11's amortisation was found during 2011/12. The 2011/12 brought forward balance has been amended to reflect this.

Item 16 - Extract from 2011/12 Statement of Accounts

Showing Adjustment for prior year depreciation error of £123k in 2011/12

2010/11		2011/12
£000s		£000s
(31,596)	Balance at 1 April	(31,004)
	- Adjustment for prior year depreciation error	123
1,723	Charges for depreciation and impairment of non-current assets	1,390
224	Revaluation losses on Property, Plant & Equipment	1,137
58	Amortisation of intangible assets	73
703	Revenue expenditure funded from capital under statute	411
	Amounts of non-current assets written off on the disposal or sale as part of the	
	- gain/loss on disposal to the Comprehensive Income & Expenditure Statement	403
	<u>(87)</u> Adjusting amounts written out of the Revaluation Reserve	<u>(126)</u>
2,621	Net written out amount of the cost of non-current assets consumed in the year	3,411
	Capital financing applied in the year:	
(787)	Use of the Capital Receipts Reserve to finance new capital expenditure	(853)
	Application of grants to capital financing from the Capital Grants Unapplied	
(985)	Account	(363)
	Statutory provision for the financing of capital investment charged against the	
(257)	General Fund balances	(321)
<u>(31,004)</u>	Balance at 31 March	<u>(29,130)</u>

Appendix B – Statement of Accounts extracts

Item 17 - Extract from 2013/14 Statement of Accounts

Showing MRP charge of £327k in 2012/13

2012/13		2013/14
£000s		£000s
<u>(29,130)</u>	Balance at 1 April	<u>(28,841)</u>
(318)	Adjustment for prior year REFCUS	-
1,349	Charges for depreciation and impairment of non-current assets	1,349
152	Revaluation losses on Property, Plant & Equipment	508
65	Amortisation of intangible assets	58
275	Revenue expenditure funded from capital under statute	474
	Amounts of non-current assets written off on the disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	437
<u>(70)</u>	Adjusting amounts written out of the Revaluation Reserve	<u>(155)</u>
<u>1,453</u>	Net written out amount of the cost of non-current assets consumed in year	<u>2,671</u>
	<u>Capital financing applied in the year:</u>	
(613)	Use of the Capital Receipts Reserve to finance new capital expenditure	(760)
(224)	Capital grants and contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(190)
<u>(327)</u>	Statutory provision for the financing of capital investment charged against the General Fund balances	<u>(339)</u>
<u>(1,164)</u>		<u>(1,289)</u>
<u>(28,841)</u>	Balance at 31 March	<u>(27,459)</u>

Appendix B – Statement of Accounts extracts

Item 18 & 19 - Extract from 2014/15 Statement of Accounts Showing MRP charge of £339k in 2013/14 and £351k in 2014/15

2013/14		2014/15
£000s		£000s
<u>(28,841)</u>	Balance at 1 April	<u>(27,459)</u>
1,349	Charges for depreciation and impairment of non-current assets	1,315
508	Revaluation losses on Property, Plant & Equipment	594
58	Amortisation of intangible assets	53
474	Revenue expenditure funded from capital under statute	295
437	Amounts of non-current assets written off on the disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	106
<u>(155)</u>	Adjusting amounts written out of the Revaluation Reserve	<u>(82)</u>
<u>2,671</u>	Net written out amount of the cost of non-current assets consumed in year	<u>2,281</u>
	<u>Capital financing applied in the year:</u>	
(760)	Use of the Capital Receipts Reserve to finance new capital expenditure	(688)
(190)	Capital grants and contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(223)
<u>(339)</u>	Statutory provision for the financing of capital investment charged against the General Fund balances	<u>(351)</u>
<u>(1,289)</u>		<u>(1,262)</u>
<u>(27,459)</u>	Balance at 31 March	<u>(26,440)</u>

Item 20 - Extracts from 2014/15 & 2015/16 Statement of Accounts

	2014/15
	£'000
Revaluation Reserve entries	
Upward revaluation of assets	(2,758)
Downward revaluation of assets and impairment losses not charged to Surplus / Deficit on the Provision of Services	608
Difference between fair value depreciation and historical cost depreciation	74
Writing out revaluation reserve balance on disposal of assets - accumulated gains on assets sold	19
	(2,057)
Capital Adjustment Account entries	
Revaluation losses on PPE	594
Amounts of non current assets written off on the disposal as part of the gain/loss on disposal to the CI&E Statement	106
Adjusting amounts written out of the Revaluation Reserve	(82)
	618
PPE entries	
Disposals - GBV	(3,730)
Revaluation gain (Revaluation Reserve)	1,843
Revaluation loss (Revaluation Reserve)	(608)
Revaluation loss (CI&E)	(601)
Depreciation written back on disposal and revaluation	4,512
	1,416
Net total (These entries should come to zero as no impact on CFR)	(23)

Appendix B – Statement of Accounts extracts

Revaluation Reserve

2014/15		2015/16
£000s		£000s
<u>(6,637)</u>	Balance at 1 April	<u>(8,694)</u>
(2,758)	Upward revaluation of assets	(1,234)
608	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	674
<u>(2,150)</u>	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	<u>(560)</u>
74	Difference between fair value depreciation and historical cost depreciation	54
19	Accumulated gains on assets sold or scrapped	-
<u>93</u>	Amount written off to the Capital Adjustment Account	<u>54</u>
<u><u>(8,694)</u></u>	Balance at 31 March	<u><u>(9,200)</u></u>

Capital Adjustment Account

2014/15		2015/16
£000s		£000s
<u>(27,459)</u>	Balance at 1 April	<u>(26,440)</u>
1,315	Charges for depreciation and impairment of non-current assets	777
594	Revaluation losses on Property, Plant & Equipment	53
53	Amortisation of intangible assets	50
295	Revenue expenditure funded from capital under statute	374
106	Amounts of non-current assets written off on the disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	-
<u>(82)</u>	Adjusting amounts written out of the Revaluation Reserve	<u>(54)</u>
<u>2,281</u>	Net written out amount of the cost of non-current assets consumed in year	<u>1,200</u>
	<u>Capital financing applied in the year:</u>	
(688)	Use of the Capital Receipts Reserve to finance new capital expenditure	(1,268)
(219)	Capital grants and contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(271)
(4)	Application of grants to capital financing from the Capital Grants Unapplied Account	(300)
(351)	Statutory provision for the financing of capital investment charged against the General Fund balances	
-	Capital expenditure charged against the General Fund balances	(1,303)
<u>(1,262)</u>		<u>(3,142)</u>
<u><u>(26,440)</u></u>	Balance at 31 March	<u><u>(28,382)</u></u>

Appendix B – Statement of Accounts extracts

Property, Plant & Equipment

2014/15	Operational			Total
	Other Land & Buildings £000s	Community Asset £000s	Vehicles, Plant, Furniture & Equipment £000s	£000s
Balance at 1 April 2014	32,845	2,407	4,058	39,310
Adjustment for prior year				-
Additions	131	106	361	598
Disposals	(171)	-	(3,559)	(3,730)
Revaluation gain (Revaluation Reserve)	1,843			1,843
Revaluation loss (Revaluation Reserve)	(608)			(608)
Revaluation loss (CI&E)	(601)			(601)
				-
Gross book value as 31 March 2015	33,439	2,513	860	36,812
Depreciation				
Accumulated depreciation	(1,216)	-	(3,091)	(4,307)
				-
Depreciation for year	(682)		(633)	(1,315)
Depreciation written back on disposal & revaluation	954		3,558	4,512
Balance at 31 March 2015	(944)	-	(166)	(1,110)
				-
Net book value of assets at 31 March 2015	32,495	2,513	694	35,702
This balance is made up of:				
Gross book value	32,845	2,407	4,058	39,310
Movement	594	106	(3,198)	(2,498)
Accumulated depreciation	(944)	-	(166)	(1,110)
	32,495	2,513	694	35,702

Appendix B – Statement of Accounts extracts

Item 21 - Extract from 2016/17 Statement of Accounts

Shows £6k adjustment for prior year in comparative 2015/16 figures.

Comparative Figures for 2015/16 (Restated)	Operational			Total £000s
	Other Land & Buildings £000s	Community Assets £000s	Vehicles, Plant, Furniture & Equipment £000s	
Balance at 1 April 2015	33,439	2,513	860	36,812
Adjustment for prior year	6			6
Additions	79	26	2,539	2,644
Disposals	(131)		(10)	(141)
Revaluation Gain (Revaluation Reserve)	4,089			4,089
Revaluation loss (Revaluation Reserve)	-			-
Revaluation loss (CI&E)	-			-
Gross book value as 31 March 2016	37,482	2,539	3,389	43,410
Depreciation				-
Accumulated depreciation	(944)		(166)	(1,110)
Accumulated amortisations				-
Depreciation for year	(741)		(129)	(870)
Depreciation written back on disposal & revaluation	750		10	760
Balance at 31 March 2016	(935)	-	(285)	(1,220)
Net book value of assets at 31 March 2016	36,547	2,539	3,104	42,190
This balance is made up of:				
Gross book value	33,445	2,513	860	36,818
Movement	4,037	26	2,529	6,592
Accumulated depreciation	(935)	-	(285)	(1,220)
	36,547	2,539	3,104	42,190

Appendix B – Statement of Accounts extracts

Item 22 - Extract from 2017/18 Statement of Accounts

Showing unfinanced capital expenditure of £90k in 2016/17

27. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets required under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

	2016/17 £000's	2017/18 £000's
Opening Capital Financing Requirement	687	777
Capital Investment		
Property, Plant and Equipment		
Intangible Assets	7	334
Other Land & Buildings	374	204
Vehicles, Plant, Equipment & Furniture	83	74
Waste and street cleansing vehicles (embedded finance leases)	-	-
Community Assets	10	40
Investment Property		
Revenue expenditure funded by capital	413	539
Total Capital Expenditure	886	1,191
Financed by:		
Useable Capital Receipts	226	798
Government & Other Grants	420	393
Revenue Contributions	150	
Total Financing	796	1,191
Increase in underlying need to borrowing (unsupported by government financial	90	-
Increase/(Decrease) in Capital Financing Requirement	90	-

Appendix B – Statement of Accounts extracts

Item 23 - Extract from 2018/19 Statement of Accounts

Capital Adjustment Account - Showing Government Grants financing of £419k (£356k + £63k) in 2017/18

Capital Expenditure and Financing - Showing Government Grants financing of £393k in 2017/18

Difference - £26k

Capital Adjustment Account

2017/18		2018/19
£000s		£000s
<u>(27,941)</u>	Balance at 1 April	<u>(27,354)</u>
	Historical Balance Correction	(152)
	Revised Opening Balance	<u>(27,506)</u>
1,362	Charges for depreciation and impairment of non-current assets	664
15	Revaluation losses on Property, Plant & Equipment	12
40	Amortisation of intangible assets	96
539	Revenue expenditure funded from capital under statute	1,257
13	Amounts of non-current assets written off on the disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	-
<u>(163)</u>	Adjusting amounts written out of the Revaluation Reserve	<u>(11)</u>
<u>1,805</u>	Net written out amount of the cost of non-current assets consumed in year	<u>2,018</u>
	<u>Capital financing applied in the year:</u>	
(798)	Use of the Capital Receipts Reserve to finance new capital expenditure	(239)
(356)	Capital grants and contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(1,411)
(63)	Application of grants to capital financing from the Capital Grants Unapplied Account	(51)
-	Capital expenditure charged against the General Fund balances	(287)
<u>(1,217)</u>		<u>(1,988)</u>
<u>(27,354)</u>	Balance at 31 March	<u>(27,476)</u>

Appendix B – Statement of Accounts extracts

Capital Expenditure and Capital Financing

	2017/18 £000's	2018-19 £000's
Opening Capital Financing Requirement	777	777
Capital Investment		
Property, Plant and Equipment		
Intangible Assets	334	79
Other Land & Buildings	204	353
Vehicles, Plant, Equipment & Furniture	74	104
Community Assets	40	197
Investment Property		
Revenue expenditure funded by capital	539	1,257
Total Capital Expenditure	1,191	1,990
Financed by:		
Useable Capital Receipts	798	240
Government & Other Grants	393	1,463
Revenue Contributions		287
Total Financing	1,191	1,990
Increase in underlying need to borrowing (unsupported by government)	-	-
Increase/(Decrease) in Capital Financing Requirement	-	-

Item 24 - Extracts from 2018/19 Statement of Accounts

Showing the net impact of the entries is £34k which results in an increase to the CFR

	2017/18
Revaluation Reserve entries	
Upward revaluation of assets	-1715
Downward revaluation of assets and impairment losses not charged to Surplus / Deficit on the Provision of Services	22
Difference between fair value depreciation and historical cost depreciation	163
Writing out revaluation reserve balance on disposal of assets - accumulated gains on assets sold	0
	-1530
Capital Adjustment Account entries	
Revaluation losses on PPE	15
Amounts of non current assets written off on the disposal as part of the gain/loss on disposal to the CI&E Statement	13
Adjusting amounts written out of the Revaluation Reserve	-163
	-135
PPE entries	
Disposals - GBV	-19
Revaluation gain (Revaluation Reserve)	1038
Revaluation loss (Revaluation Reserve)	-22
Revaluation loss (CI&E)	-169
Depreciation written back on disposal and revaluation	871
	1699
Net total (These entries should come to zero as no impact on CFR)	34

Appendix B – Statement of Accounts extracts

Revaluation Reserve

2017/18		2018/19
£000s		£000s
<u>(17,534)</u>	Balance at 1 April	<u>(19,064)</u>
	Historical balance correction	152
	Revised Opening Balance	<u>(18,912)</u>
(1,715)	Upward revaluation of assets	(1,432)
<u>22</u>	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	<u>163</u>
<u>(1,693)</u>	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	<u>(1,269)</u>
163	Difference between fair value depreciation and historical cost depreciation	11
<u>-</u>	Accumulated gains on assets sold or scrapped	<u>-</u>
<u>163</u>	Amount written off to the Capital Adjustment Account	<u>11</u>
<u><u>(19,064)</u></u>	Balance at 31 March	<u><u>(20,170)</u></u>

Appendix B – Statement of Accounts extracts

Capital Adjustment Account

2017/18		2018/19
£000s		£000s
<u>(27,941)</u>	Balance at 1 April	<u>(27,354)</u>
	Historical Balance Correction	(152)
	Revised Opening Balance	<u>(27,506)</u>
1,362	Charges for depreciation and impairment of non-current assets	664
15	Revaluation losses on Property, Plant & Equipment	12
40	Amortisation of intangible assets	96
539	Revenue expenditure funded from capital under statute	1,257
13	Amounts of non-current assets written off on the disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	-
<u>(163)</u>	Adjusting amounts written out of the Revaluation Reserve	<u>(11)</u>
<u>1,805</u>	Net written out amount of the cost of non-current assets consumed in year	<u>2,018</u>
	<u>Capital financing applied in the year:</u>	
(798)	Use of the Capital Receipts Reserve to finance new capital expenditure	(239)
(356)	Capital grants and contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(1,411)
(63)	Application of grants to capital financing from the Capital Grants Unapplied Account	(51)
-	Capital expenditure charged against the General Fund balances	(287)
<u>(1,217)</u>		<u>(1,988)</u>
<u>(27,354)</u>	Balance at 31 March	<u>(27,476)</u>

Appendix B – Statement of Accounts extracts

Property, Plant & Equipment

Comparative Figures for 2017/18	Operational			Total £000s
	Other Land & Buildings	Community Assets	Vehicles, Plant, Furniture & Equipment	
	£000s	£000s	£000s	
Balance at 1 April 2017	41,944	3,585	3,472	49,001
Adjustment for prior year				-
Additions	204	40	74	318
Disposals			(19)	(19)
Revaluation Gain (Revaluation Reserve)	1,038	-	-	1,038
Revaluation loss (Revaluation Reserve)	(22)	-	-	(22)
Revaluation loss (CI&E)	(75)	-	(94)	(169)
				-
Gross book value as 31 March 2018	43,090	3,625	3,433	50,148
Depreciation				-
Accumulated depreciation	(977)	-	(836)	(1,813)
				-
Depreciation for year	(801)	-	(560)	(1,362)
Depreciation written back on disposal & revaluation	769	-	102	871
Balance at 31 March 2018	(1,009)	-	(1,294)	(2,303)
Net book value of assets at 31 March 2018	42,081	3,625	2,138	47,844
This balance is made up of:				
Gross book value	41,944	3,585	3,472	49,001
Movement	1,145	40	(39)	1,146
Accumulated depreciation	(1,009)	-	(1,294)	(2,303)
	42,081	3,625	2,138	47,844



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